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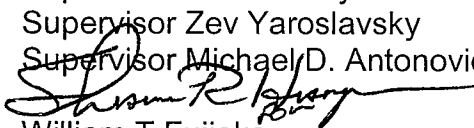
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Third District

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Fifth District

April 16, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

This memorandum contains pursuits of County position on five bills, the status of County-sponsored legislation, and the status of five County-advocacy bills.

Pursuit of County Position on Legislation

AB 286 (Salas and Jones), as introduced on February 13, 2009, would extend until 2018 the authority for counties to impose an additional \$1.00 vehicle registration fee to be used for anti-vehicle theft programs. It also would add additional reporting requirements for those counties that adopt a resolution to impose the fee. Counties would be required to provide details of expenditures, including salaries and expenses, purchase of equipment and supplies, and any other expenditures to support the program.

SB 2139 of 1990 authorized counties, upon the adoption of a resolution by a board of supervisors, to impose an additional registration fee of \$1.00 on each vehicle registered within the county. The fees fund programs to enhance the capacity of local law enforcement agencies to deter, investigate, and prosecute vehicle theft crimes. Subsequent legislation has extended the sunset date three times. The most recent extension to January 1, 2010 was signed into law in 2004. According to the author's office, since 1990, 44 counties have established vehicle theft suppression programs to address the high incidence of vehicle theft in their jurisdictions.

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The Sheriff's Department uses the funds to manage the Taskforce for Regional Auto-theft Prevention (TRAP) Program. TRAP includes representatives from the Sheriff's Department, the Los Angeles Police Department, District Attorney, the California Highway Patrol, and a number of other local police departments within the County. According to the Sheriff's Department, since 1993, TRAP has resulted in 8,073 arrests and has recovered over 21,578 vehicles with an estimated value of \$368 million.

AB 878 of 2007 would have allowed a county to increase the supplemental vehicle registration fee from \$1.00 to \$2.00 and would have extended the sunset date for the program until 2013. AB 860 of 2008 would have extended the sunset date to January 1, 2018. However, both bills were vetoed by the Governor. In his veto message, the Governor indicated that because of the historic delay in passing the FY 2008-09 State Budget, he would only sign those bills that were the highest priority for California, and AB 860 did not meet this criteria.

Consistent with the Board's action of December 1, 1998 to support legislation which authorizes a \$1.00 fee assessment on each vehicle within the County to finance the Taskforce for Regional Autotheft Prevention, and policy to support legislation to eliminate the sunset date on a surcharge on basic vehicle registration fees imposed at local option to fund local vehicle theft prevention programs, **the Sacramento advocates will support AB 286.**

AB 286 is co-sponsored by the Sheriff's Department, the District Attorney, and the San Diego County District Attorney's Office. It is supported by the American Federation of State, County and Municipal employees; Association for Los Angeles Deputy Sheriffs; California District Attorneys' Association; California State Sheriffs' Association; the Azusa, La Verne, and Monrovia city police departments; and the Alameda, Amador, Butte, Contra Costa, Del Norte, Sacramento, San Diego, Shasta, Tuolumne, Ventura, and Yolo county sheriffs' departments. It is opposed by the California Taxpayers' Association and the Howard Jarvis Taxpayers Association. AB 286 passed the Assembly Local Government Committee on April 1, 2009 by a vote of 5 to 2 and is scheduled for a hearing on April 27, 2009 in the Assembly Transportation Committee.

AB 410 (De La Torre), as amended on March 23, 2009, would: 1) allocate \$5 million of the \$100 million available for multi-regional water needs from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to the State Department of Water Resources (DWR) for the preparation of salt and nutrient management plans consistent with the recycled water policy of the State Water Resources Control Board; 2) set a Statewide goal to recycle a total of 1.3 million acre-feet of water annually by the year 2020, and two million acre-feet of water per year by 2030; and 3) require DWR to assess progress toward meeting the recycled water goal every five years based on information provided in urban water management plans.

The Department of Public Works (DPW) indicates that all seven watersheds in Los Angeles County (Los Angeles River, San Gabriel River, Santa Clara River, Antelope Valley, Dominguez Channel, Malibu Creek, and Ballona Creek) currently use or will use recycled water for groundwater recharge. DPW indicates that three departmental divisions (Watershed Management, Water Resources, and Waterworks) will be involved in the preparation of salt and nutrient management plans for those watersheds consistent with the DWR recycled water policy to maximize the use of recycled water and improve water supply reliability in the County. DPW estimates that the cost to prepare seven salt and nutrient management plans is approximately \$1.4 million (seven plans at \$200,000 per plan). DPW indicates that the \$5 million allocated in AB 410 is insufficient because if agencies responsible for management of the State's groundwater basins prepared salt and nutrient management plans for only one quarter of the groundwater basins, the estimated costs would be \$20.6 million. Therefore, DPW believes the bill could be improved by increasing the amount allocated for preparation of the management plans from \$5 million to a minimum of \$20 million.

The Department of Public Works and this office support AB 410, and recommend that the County seek an amendment to increase the amount allocated for the preparation of the management plans to a minimum of \$20 million. Support for AB 410 is consistent with existing policy to: 1) encourage water conservation and increase the efficiency of water use; 2) increase the use of recycled water within Los Angeles County; and 3) support funding for the design and construction of a recycled water system for the Antelope Valley to reduce reliance on imported water and improve water supply reliability. Support is also consistent with the water supply and reliability principles adopted on October 5, 2007, to create new water supplies using a variety of approaches including preservation of water by recycling. **Therefore, the Sacramento advocates will support AB 410, and request that it be amended to appropriate a minimum of \$20 million Statewide for the preparation of the salt and nutrient management plans.**

AB 410 is supported by the American Federation of State, County and Municipal employees; Association of California Water Agencies; California Association of Sanitation Agencies; California Landscape Contractors Association; El Dorado Irrigation District; Natural Resources Defense Council; and Regional Council of Rural Counties. There is no registered opposition. AB 410 passed the Assembly Water, Parks and Wildlife Committee on April 14, 2009 by a vote of 13 to 0, and now proceeds to the Assembly Appropriations Committee.

AB 664 (Skinner), as introduced on February 25, 2009, would expand the presumption of job-related injury to cover all hospital employees for blood-borne infectious disease, Methicillin-Resistant Staphylococcus Aureus and all neck and back injuries. This

presumption would exist if the impairment develops or manifests itself during the period of employment with the hospital.

Under current law, certain medical conditions are disputably presumed to be job-related for certain public safety employees. AB 664 would significantly expand the specified presumptions beyond public safety employees by applying them to all hospital employees.

The Chief Executive Office Risk Management indicates that this expansion of the presumption of work-related disability would increase the number and cost of workers' compensation payments made to County employees, and estimates that these costs are likely to exceed \$1 million annually.

The Department of Health Services (DHS) concurs that AB 664 would result in increased costs because of the greater frequency of claims, number of claims covered, and cost per claim. DHS further notes that the presumption requires the employer to prove that the injury did not occur because of the work environment, and that the injury originated from a pre-existing condition or activity unrelated to the job. DHS indicates that both the administrative and litigation costs for cases will increase, and pre-employment screenings will need to be more thorough to preclude employees from entering the workforce with any prior injuries or impairments.

The Department of Health Services and this office oppose AB 664. Consistent with Board policy to oppose legislation that expands existing or creates new presumptions related to injuries, illnesses, diseases, or physical conditions that can be claimed as job-related for workers' compensation or service-connected disability retirement purposes, **the Sacramento advocates will oppose AB 664.**

AB 664 is sponsored by the California Nurses Association/National Nurses Organizing Committee. It is supported by the California Professional Firefighters and the United Nurses Association of California/Union of Health Care Professionals. Although there is no registered opposition, the author's staff anticipates that it will be opposed by the California Hospital Association and the California Chamber of Commerce. AB 664 is scheduled for a hearing in the Assembly Insurance Committee on April 22, 2009.

AB 682 (Lowenthal), as amended on March 26, 2009, instructs the State Department of Health Care Services (DHCS) to dedicate an unspecified number of State staff to evaluate State and County implementation of In-Home Supportive Services (IHSS) Program quality assurance and fraud mitigation requirements in existing law, as well as to assess the extent and nature of the fraud currently detected. These requirements include error rate studies, quality assurance activities, fraud detection and investigation responsibilities, and overpayment identification and recovery provisions. The State staff

may come from existing resources or be new staff, depending on whether the Legislature appropriates funding for new positions.

The bill also requires DHCS, in consultation with counties and stakeholders, to develop and submit a report to the Legislature by December 31, 2011 that identifies: 1) the magnitude of IHSS fraud in terms of total dollars; 2) number of consumers harmed, or placed at risk of harm; 3) number of people involved in such fraud; and 4) best practices to combat IHSS fraud.

AB 682 does not change any quality assurance provisions, or fraud prevention, identification, and investigation requirements in existing law. Therefore, the bill has no direct impact on current Department of Public Social Services (DPSS) fraud mitigation operations or activities.

Over the last several months, DPSS has been actively engaged with other counties and the State to review the issue of IHSS fraud and begin the process of identifying best practices and potential administrative or statutory changes that may be important to explore. Therefore, DPSS views AB 682 as an important step to expand this discussion among stakeholders Statewide.

The Department of Public Social Services and this office support AB 682. Consistent with Board policy to improve program integrity and prevent fraud in the IHSS Program, **the Sacramento advocates will support AB 682.**

The Service Employees International Union is the sponsor of AB 682. The measure is supported by Aging Services of California. There is no recorded opposition at this time.

AB 682 passed the Assembly Human Services Committee by a vote of 4 to 2 on April 14, 2009, and now proceeds to the Assembly Appropriations Committee.

SB 816 (Ducheny), as introduced on February 27, 2009, would: 1) expand the list of State and local agencies to which an assessor is required to disclose information to include a county recorder when an investigation is being conducted to determine whether a documentary transfer tax is due; 2) allow a county board of supervisors to include an administrative appeals process for resolution of disputes related to the documentary transfer tax in an ordinance imposing such a tax; 3) require corporations or other legal entities to file a change in ownership statement within 45 days from the earlier of the date of the change in ownership or the date of a written request by the State Board of Equalization, or be faced with a penalty; and 4) eliminate the State Board of Equalization's existing authority to waive penalties.

On October 30, 2007, the Board directed the Chief Executive Office (CEO) to pursue legislative changes to improve the process for documentary transfer tax enforcement, including but not limited to: 1) authorization to develop a mechanism for sharing information between the State Board of Equalization and county recorders, which could assist in the discovery of undisclosed transactions; and 2) extension of the statute of limitations on documentary transfer tax enforcement in all counties to allow additional time to pursue transfer tax collections.

Although SB 816 does not address all of the elements of the October 30, 2007 Board motion, the Registrar Recorder-County Clerk (RRCC) indicates that this bill would allow information from the Assessor's Office to be shared with the RRCC. The information would assist in investigating transfers of real estate properties where no actual documents are recorded and would allow the imposition of a 10 percent penalty if a legal entity does not properly report the change in ownership.

The Assessor's Office, RRCC, and this office support SB 816. Support for SB 816 is consistent with the Board's direction to pursue necessary legislative changes to improve the process for documentary transfer tax enforcement. **Therefore, the Sacramento advocates will support SB 816.**

SB 816 is sponsored by the California Assessor's Association. There is no other registered support or opposition. SB 816 is scheduled for a hearing in the Senate Revenue and Taxation Committee on April 22, 2009.

Status of County-Sponsored Legislation

County-sponsored SB 179 (Runner), which would streamline the Termination of Parental Rights appeals process and promote adoptions, passed the Senate Floor by a vote of 32 to 2 on April 16, 2009. The measure now moves to the Assembly Judiciary Committee.

Status of County-Advocacy Legislation

County-support-in-concept AB 12 (Beall), which would allow California to implement the State option to use Federal Title IV-E funds to extend foster care and Kin-GAP services to youth up to 21 years of age, passed the Assembly Human Services Committee on April 14, 2009 by a vote of 5 to 0, and now proceeds to the Assembly Appropriations Committee. As instructed by your Board on March 17, 2009, the CEO and the departments of Children and Family Services, Public Social Services, Probation, and County Counsel are analyzing AB 12 to determine the programmatic and fiscal impact to the County. This office will provide your Board with the analysis and potential County impact by April 30, 2009.

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County-supported AB 215 (Feuer), which would require long-term care facilities to post the overall facility rating information as determined by the Federal Centers for Medicare and Medicaid Services (CMS), passed the Assembly Health Committee with amendments on April 14, 2009 by a vote of 13 to 6, and now proceeds to the Assembly Appropriations Committee. The amendments would: 1) delay the implementation of the bill until 2011; 2) increase the number of days from five to seven for a facility to post any CMS rating changes; and 3) provide disclaimer language indicating that the facility has been licensed by California and certified by CMS, and encourage consumers to consider many factors when making a decision on nursing home residency. Dr. Jeffrey Gunzenhauser from the Department of Public Health testified in support of the bill noting the importance of the rating system for consumers.

County-supported AB 421 (Beall), which would make State law consistent with Federal law when placing children served by the AB 3632 program in out-of-state, for-profit residential facilities, passed the Assembly Human Services Committee on April 14, 2009 by a vote of 5 to 0, and is scheduled for a hearing on April 22, 2009 in the Assembly Education Committee.

County-supported AB 719 (Lowenthal), which would create the 12-month Transitional Food Stamps for Foster Youth Program, passed the Assembly Human Services Committee on April 14, 2009 by a vote of 6 to 0, and now proceeds to the Assembly Appropriations Committee.

County-opposed AB 1048 (Torrico), which would extend the timeframe to safely surrender a newborn from 72 hours to 30 days, passed the Assembly Public Safety Committee on April 14, 2009 by a vote of 5 to 0, and is scheduled for a hearing on April 21, 2009, in the Assembly Judiciary Committee. Assembly Member Torrico told the Committee that he plans to add language, which would put the issue before the voters at a Statewide election in 2010 because previous versions of the bill had been vetoed three times.

We will continue to keep you advised.

WTF:GK
MAL:MR:IGEA:sb

c: All Department Heads
Legislative Strategist